

REMARKS

Claims 1-41, 43-51 and 53-70 are pending in this application. Claims 1-35 and 64-70 are withdrawn from consideration.

Applicants appreciate the examiner's courtesy of participating in an interview on March 14, 2008. We acknowledge the examiner's summary of the interview. During the interview, we specifically discussed wording of claim 36 that the examiner would find acceptable to overcome the Garg and Landvater references of record. It was our understanding that amendment of claim 36, as presented in this paper, would overcome the art of record.

The examiner raised the issue of whether additional art would meet the "step function" limitation of the claim. From a quick search, the examiner subsequently provided us with the references, "Dynamic model of a stock control system for fixed quantity orders," by Petrochenko (1973); and "The Selection and Pricing of Retail Assortments: an Empirical Approach," by McIntyre (1999). We briefly discussed these references on March 20, during an interview of a different case. While the words "step function" appear in each of the references, there is no teaching to apply a step function in any manner that would be relevant to these claims.

Accordingly, we submit the enclosed amendments to claim 36 with an expectation that they will be sufficient to overcome the art of record. We look forward to a supplemental search.

We request an interview with the examiner, in case the supplemental search turns up any additional art. We are prepared to propose an amendment that will place the case in condition for allowance, in response to an interview.

Applicants respectfully submit that claims 36-41, 43-51, and 53-63 should be allowable over Garg in view of Landvater.

CONCLUSION

Applicants respectfully submit that the pending claims are now in condition for allowance and thereby solicit acceptance of the claims as now stated.

Applicants would welcome an interview, if the Examiner is so inclined. The undersigned can ordinarily be reached at his office at (650) 712-0340 from 8:30 a.m. to 5:30 p.m. PST, Monday through Friday, and can be reached at his cell phone at (415) 902-6112 most other times.

Respectfully submitted,

Dated: 20 August 2008

/Ernest J. Beffel, Jr./

Ernest J. Beffel, Jr.

Registration No. 43,489

Haynes Beffel & Wolfeld LLP
P.O. Box 366
Half Moon Bay, CA 94019
Telephone: (650) 712-0340
Facsimile: (650) 712-0263